

## Unicredit Bank Austria Manufacturing PMI®

### Austrian manufacturing output continues to fall as rising prices squeeze demand

#### Key findings

Production declines further amid sharp drop in new orders

Employment growth slowest in almost a year-and-a-half

Firms remain pessimistic towards the year-ahead outlook

The Austrian manufacturing sector remained under pressure at the start of the third quarter, latest PMI® data from S&P Global showed, as a further contraction in output came amid another sharp drop in new orders. Weakness in demand was evident across both domestic and international markets as client appetite was restrained by higher prices.

Elsewhere, the year-ahead outlook remained in pessimistic territory amid fears of a protracted slowdown in economic activity. Employment growth subsequently slowed, while purchasing activity fell for the first time since November 2020.

The seasonally adjusted UniCredit Bank Austria Manufacturing Purchasing Managers' Index® (PMI®) – a single-figure gauge of performance – recorded 51.7 in July. While this was an increase from June's 22-month low of 51.2, it remained well below the year-to-date average.

July survey data highlighted a second straight monthly decline in production at Austrian manufacturers. According to panellists, higher energy prices, supply issues and weak demand contributed to the contraction. However, the decrease was marginal and weaker than that seen in June.

A sharp reduction in manufacturing new orders was signalled at the start of the third quarter. Some clients were reportedly deterred by high prices for goods, while sufficient inventories reduced the need for others to make additional purchases. Although the deterioration in demand was softer than seen in June, it was the second-strongest in just over two years.

Weaker sales performances reflected softer demand from both domestic and overseas customers as new export orders also contracted sharply. The decline was the third in as many months and the quickest since June 2020.

Amid lower new order intakes, Austrian manufacturers were able to direct resources to tackling backlogs of work. The level of outstanding business fell for a second successive month in July and at a rate which was broadly similar to that seen previously.

Unicredit Bank Austria Manufacturing PMI

sa, >50 = growth since previous month



Source: S&P Global.

Data were collected 12-22 July 2022.

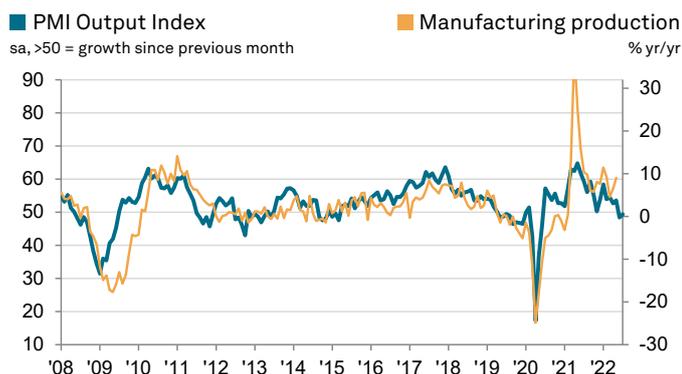
In line with falling output and new orders, firms cut their purchasing activity in July. According to surveyed businesses, firms reduced input buying in line with their production schedules, although others were deterred by current price levels.

Nevertheless, latest survey data highlighted strong growth in stocks across the Austrian manufacturing sector in July. Both pre- and post-production inventories rose at near-record rates, with anecdotal evidence indicating, in some cases, the unintentional build-up of items in warehouses due to quicker-than-expected input deliveries and a lack of new orders.

Supplier delivery times continued to lengthen in July, with shortages of materials compounded by logistic issues. However, the extent to which vendor performance worsened was the weakest since November 2020.

Meanwhile, latest data signalled sharp price pressures across the Austrian manufacturing sector, although rates of inflation cooled further. Input costs rose at the softest pace in almost a year-and-a-half, while output price inflation eased to a 15-month low.

Lastly, firms were once again pessimistic towards the year-ahead outlook. Fears of a recession, as well as concerns surrounding higher energy prices and persistent supply issues, were noted by survey respondents. Subsequently, employment growth slowed to a 17-month low in July.



## Contact

Stefan Bruckbauer  
Bank Austria  
T: +43 (0) 50505-41951  
[stefan.bruckbauer@unicreditgroup.at](mailto:stefan.bruckbauer@unicreditgroup.at)

Phil Smith  
Economics Associate Director  
S&P Global Market Intelligence  
T: +44-1491-461-009  
[phil.smith@spglobal.com](mailto:phil.smith@spglobal.com)

Bibiane Sibera  
OPWZ  
T: +43-1-533-86-36-56  
[opwz.com/forum-einkauf/](http://opwz.com/forum-einkauf/)

Sabrina Mayeen  
Corporate Communications  
S&P Global Market Intelligence  
T: +44-7967-447-030  
[sabrina.mayeen@spglobal.com](mailto:sabrina.mayeen@spglobal.com)

If you prefer not to receive news releases from S&P Global, please email [katherine.smith@spglobal.com](mailto:katherine.smith@spglobal.com). To read our privacy policy, click [here](#).

## Survey methodology

The Unicredit Bank Austria Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 300 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in October 1998.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index® (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact [economics@spglobal.com](mailto:economics@spglobal.com).

## About PMI

Purchasing Managers' Index® (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.

[ihsmarkit.com/products/pmi.html](https://ihsmarkit.com/products/pmi.html)

## Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers' Index® and PMI® are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.